



Compensation & Work Schedules

The Personnel System Reform Act of 2002 called for a more responsive, streamlined classification and compensation system that would facilitate the effective use of state personnel resources and enhance career mobility and advancement. Title 357-28 WAC describes the compensation plan for non-represented employees. Please refer to relevant contracts for represented employees.

What are the changes being made to the State Compensation Plan?

Many aspects of the plan remain the same, however, there are a number of changes that affect rule content (new rules, changes to current rules), roles/responsibilities of employers, and documentation (where information will be located) requirements.

The plan will contain information on general government and higher education salary and special pay schedules, pay practices, work period designations, job classifications and classification structure.

Are pay ranges/pay structures changing?

The basic structure of the state's general service salary structure remains unchanged (pay ranges, steps A-K etc.). One additional step has been added to the N-range for registered nurses represented by local 1199.

What are the general changes that are taking place with respect to the approval of compensation rules?

Rule changes (WAC's) will continue to be approved by the Department of Personnel (DOP) Director. However, the compensation rules have been written largely to provide employers broad requirements, guidance and enabling language allowing them (at their discretion) to develop and implement certain policies and practices such as performance-based recognition. Employers will be responsible for many aspects of compensation (rule guidelines, policies and procedures) as identified in their salary determination policy.

Much of the detail relating to specific amounts of pay such as shift premium, and standby-pay is taken out of the rules and placed in the compensation plan. This will provide additional flexibility and place all salary related information into one source document.

What is the Salary Determination Policy (SDP) and how will it be used?

WAC 357-28-035 establishes the requirement for each employer to develop and use a written SDP approved by the DOP Director. This document acts as an extension of WAC 357-28 that allows employers to describe their approach to the use of certain compensation rules where they have some measure of discretion. The eight areas that are required to be addressed include setting base salary for: new employees, transfers, layoff options, reallocations, demotions, reversions, promotions and determining premiums

This document is a summary to help employees and employers understand the changes resulting from the new civil service rules. For more specific information, please see the full text of the new rules. A full copy of the adopted rules, additional guidance, and the latest information about Civil Service Reform activities can be found at <http://hr.dop.wa.gov/hrreform>.

for recruitment/retention. Employers are encouraged to include guidance on how they plan to administer other rules and specific practices related to employee pay.

Each employer's SDP will provide the basis for consistent judgment and approach to employee pay determinations by management and represents the source document on which it bases its compliance to federal, state and employer rules and guidelines.

What additional flexibility will employers have in this new compensation system?

Employers will have new options, arising from either new or revised rules, allowing them to make changes in employee pay for the following reasons:

- Acceleration or deferment of an employee's Periodic Increment Date (PID) increase based on performance¹.
- To meet a specific recruitment or retention or other business related need such as equity, alignment or competitive market condition.
- Performance-based (lump sum) awards in recognition of outstanding accomplishments or the achievement of pre-defined work goals¹.

Additionally, since the employer's policy will govern much of the process/procedure requirements for these actions, the approval and implementation turnaround times should be reduced.

Note: ¹All pay decisions based on performance require performance management confirmation.

Why is performance being added as a determinant of pay?

Performance-based pay has been associated with improvements in employee performance, performance management and greater success by the employer in the retention of higher performing employees and recruitment of highly qualified job candidates.

Feedback discussions held with employees and supervisors/managers during the initial startup phase of the Personnel Reform project identified a need for the new personnel system to more effectively recognize and reward performance. Additionally, managers requested the ability to address serious performance problems through the deferment of "automatic" progression step increases.

What are the different types of performance-based pay awards that employers may use?

With performance management confirmation, employers may use the following performance-based pay change methods:

- Performance-based salary progression
 - Performance-based recognition
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What are the changes being made to work period designations?

Presently there are four primary work period designations, S (scheduled), NS (non-scheduled), L (law enforcement) and E (exceptions). The state is adopting the exemption standards from the federal Fair Labor Standards Act. Current designations of S and NS will be converted to the designation overtime-eligible (OE). The L designation, which is overtime eligible as well, remains unchanged. The E designation will be converted to overtime-exempt (OEX).

What changes are occurring to periodic increments?	<p>The rule provision that describes periodic increments (qualification, amount, and timing) remains unchanged. However, employers that receive performance management confirmation (PMC) may accelerate the timing and/or amount of the increase or may defer the scheduled increase in response to unsatisfactory performance by the employee.</p> <p>Additionally, employers may adjust the timing and amount of regularly scheduled increases (PMC not required) by resetting the employee's periodic increment date based on the nature of work and training requirements.</p>
What hours will determine overtime eligibility?	<p>Starting July 1, 2005 only those hours actually worked and paid holidays, not including the personal holiday, will qualify in the determination of overtime eligibility. Work on a scheduled day off will continue to be compensated at the overtime rate.</p>
What will be the notification period for schedule changes?	<p>Starting July 1, 2005 schedule change notice will be required as follows:</p> <ul style="list-style-type: none"> ▪ Temporary changes for a period of 30 calendar days or less require two (2) calendar days notice. ▪ Temporary changes for a period exceeding 30 calendar days require seven (7) days notice. ▪ By mutual agreement individual employees and their supervisor/manager may agree to a temporarily modified weekly schedule. Such scheduling does not require advance notice. ▪ In all cases, the day notification is given constitutes one day of notice.
What changes are being made to Standby Pay?	<p>For general government employees, the amount of standby pay is being standardized at the rate of 7.0% of base pay. Exceptions may be approved by the DOP Director.</p>
How will Call-back Pay be administered?	<p>Call-back Pay will be a guarantee of a minimum of two hours of pay. Exceptions may be approved by the DOP Director.</p>
How will Shift Premium Pay be administered?	<p>Shift premium must be paid when an employee is scheduled to work a shift in which the majority of hours worked daily or weekly are between 6:00 p.m. and 6:00 a.m. All hours worked adjoining the employee's shift also qualify for shift premium. Exceptions may be approved by the DOP Director.</p>
What changes are being made to compensatory time and exchange time?	<p>Beginning July 1, 2005, it will no longer be necessary to cash-out unused compensatory time at the end of each biennium except for those employees engaged in public safety or emergency response activities. Current rules on exchange time are removed from the WACs. Guidance on exchange time plans will be found in the compensation plan.</p>